# GOVERNMENT OF INDIA
# PETROLEUM AND NATURAL GAS
# LOK SABHA

UNSTARRED QUESTION NO:1540
ANSWERED ON:27.02.2003
ROYALTY ON CRUDE OIL AND GAS IN NELP
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**Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:**

(a) whether the Government of Gujarat have given the consent to NELP policy and asked for sharing of profit on petroleum:

(b) if so, the views of the Union Government for the consideration of the State Government`s demand;

(c) the rate of royalty on crude oil and gas in the NELP policy;

(d) whether these rates are less than the prevailing royalty rates;

(e) if so, whether there is any move by the Union Government to compensate; and

(f) if so, the details thereof?

## Answer

Minister of State in the Ministry of Petroleum & Natural Gas (Shri Santosh Kumar Gangwar)

(a) & (b):- In October, 2000, the Government of Gujarat gave its concurrence to the New Exploration Licensing Policy (NELP) and requested for sharing of 50% of the profit petroleum accruing to the Central Government from NELP blocks in the State under the provisions of Production Sharing Contracts (PSCs). This request is under consideration of the Government.

(c) to (f):- Under NELP, for onland areas, royalty rate is 12.5% for crude oiland 10% for natural gas and these rates were finalised by the Government keeping in view the prevailing international standards for determining royalty.